

# TRICORONA

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**PRESS RELEASE**

**22 July 2010**

## **Interim report January–June 2010**

- Operating profit amounted to SEK 54.1 (98.7) million.
- Profit for the period amounted to SEK 48.2 (81.6) million.
- Net sales amounted to SEK 332.0 (360.1) million.
- Earnings per share, basic and diluted, amounted to SEK 0.34 (0.56).
- A total of 2.3 (2.1) million CERs were delivered during the period.
- The portfolio of carbon credits for delivery in the EU's second trading period 2010–2012 amounted to 42.9 (55.1) million CERs at the end of the period.
- On 2 June, Barclays PLC announced a cash offer, recommended by the Board of Directors of Tricorona, to acquire all shares in the company. Barclays is offering SEK 8.00 for each share in Tricorona.
- On 20 July, Barclays announced that they were declaring their cash offer unconditional in all respects and that they would complete the acquisition of shares as tendered in the offer.

## **EMISSIONS TRADING**

The portfolio up to and including 2012 amounted to 42.9 million CERs at the end of the period. During the second quarter, the UN presented revised procedures for registration of projects and verification of emission reductions. However, there is nothing to indicate that the new procedures will reduce the long processing times or make it more predictable when a project will be registered or when CERs will be issued.

The spot price of CERs has increased slightly and varied during the second quarter between EUR 11.70 and 14.59, reaching EUR 13.04 at the end of period. The average price of CERs was EUR 13.03 during the second quarter and EUR 12.36 for the first six months.

A total of 6.0 million CERs were sold during the second quarter for delivery by the end of the first quarter of 2013.

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Carbon credits, millions	Delivered volume 2010	Contracted volume 2010	Contracted volume 2011	Portfolio Kyoto 2010-2012	Portfolio post Kyoto 2013-2020	Portfolio post Kyoto 2021-
Contracted volume	2.3	3.0	11.3	42.9	63.8	49.7
-of which operational		3.0	10.6	37.4	45.6	32.7
-PDD under development		-	-	0.5	2.4	1.8
-Under validation		-	0.4	4.1	14.6	14.6
-Applied for reg.		-	0.7	5.3	5.7	1.4
-Registered		3.0	10.1	33.0	41.2	31.9
Contracted volume		3.0	11.3	42.9	63.8	49.7
Sold volume	2.3	2.9	4.1	12.5	-	-
Net position		0.1	7.2	30.5	63.8	49.7

*\*Contracted volume refers to agreements entered into for the purchase of CERs for future delivery. The specified contracted volume is not guaranteed, but rather estimated on the basis of what each individual project is expected to generate. The actual delivered volume from an individual project may deviate significantly from the contracted volume. Sold volume refers to agreements entered into for the sale of CERs for guaranteed future delivery.*

*\*\* The net position may change depending on the number of verifications and the volume of issued CERs during the year.*

## BROKERAGE

The customer base in the power market decreased during the period due to poor profitability and a reduction of managed capital, particularly in hedge funds active in the Nordic power market. Total sales in the power market have nevertheless increased slightly compared to the first half of 2009.

On the other hand, the brokered portion of the market declined from 45% to 35%.

SKM's earnings have therefore declined, but the company retains its market share in the brokered market. SKM also retains its market-leading position as a broker of green products, mainly electricity certificates.

## OTHER OPERATIONS

Tricorona's other operations include those companies that were previously included in the Minerals business area. These operations are of a non-strategic nature for Tricorona.

## FINANCIAL INFORMATION

### April–June 2010

Net sales amounted to SEK 140.0 (94.7) million. Operating profit for the period amounted to SEK 23.3 (19.2) million, and profit for the period to SEK 20.2 (21.2) million.

Earnings per share amounted to SEK 0.14 (0.14).

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## January–June 2010

Net sales amounted to SEK 332.0 (360.1) million. Operating profit for the period amounted to SEK 54.1 (98.7) million, and profit for the period to SEK 48.2 (81.6) million. Earnings per share amounted to SEK 0.34 (0.56). Diluted earnings per share amounted to SEK 0.34 (0.56). The profit for the period includes costs for profit sharing totalling SEK 8.3 (14.5) million. The profit for the period has been charged with total costs of SEK 6.5 million in connection with Opcon's and Barclay's offers to the company's shareholders.

## Financial position

The equity/assets ratio at the end of the period amounted to 84 (81)%. Cash and cash equivalents amounted to SEK 295.1 (309.3) million, and funds in blocked accounts to SEK 54.2 (85.5) million. Consolidated equity amounted to SEK 502.1 (523.3) million.

Cash flow before investments for the period amounted to SEK 141.3 (122.1) million. Investments in property, plant and equipment for the period amounted to SEK 0.5 (0.5) million.

At the end of the period, Tricorona did not have any interest-bearing liabilities (SEK 13.4 million).

## Share information

The total number of outstanding shares at the end of the period was 141.2 (143.4) million. The company's holding of its own shares at the end of the period was 5.5 (-) million shares. The share price at the end of the period was SEK 7.95 (9.10).

## Annual General Meeting 2010

The Annual General Meeting of Tricorona's shareholders was held on 27 April. Ann-Karin Celsing was elected to the Board at the AGM. Magnus Sundström was elected Chairman of the Board. The AGM also decided on a dividend of SEK 0.70 (0.70) per share.

## Parent Company

Tricorona AB is the Parent Company of the Tricorona Group. Net sales for the period January–June 2010 amounted to SEK 124.2 (314.1) million. The operating loss for the period January–June 2010 amounted to SEK 0.8 (profit: 73.5) million. Capital expenditure amounted to SEK 0.2 (0.2) million. Cash and cash equivalents in the Parent Company amounted to SEK 249.0 (273.2) million, and funds in blocked accounts to SEK 46.1 (85.5) million. During the period the Parent Company signed guarantees totalling SEK 311 million on behalf of Group companies in conjunction with forward sales of CERs.

## Risks and uncertainties

The Group's significant risk and uncertainty factors include risks in the form of high exposure to individual markets. In addition to this there are also financial risks, primarily volume, price, currency and interest rate risks. Besides the risks described in Tricorona's 2009 Annual Report on page 30, Note 38, and on page 37, there are no additional significant risks to be reported.

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## Events after the end of the period

On 20 July, Barclays announced that they were declaring their cash offer unconditional in all respects and that they would complete the acquisition of shares as tendered in the offer. As of 19 July the offer had been accepted by approximately 91.1 percent of the shares and votes, excluding the 5.5 million own shares held by Tricorona. Barclays further announced that they had decided to extend the acceptance period until 26 July and that an accounting of payments to the shareholders who had accepted the offer by no later than 19 July is expected to begin around 26 July.

## Outlook for 2010

The company is not submitting an earnings forecast for this year.

## AUDIT

This report has not been subject to special examination by the company's auditors.

## REPORTING DATES

Interim report January–September 2010  
Year-end report 2010

28 October 2010  
16 February 2011

The undersigned Board members declare that the half-yearly report provides a true and fair view of the Group's and the Company's operations, results and financial position, and describes the risks and uncertainty factors faced by the Parent Company and the companies that make up the Group.

Stockholm, 22 July 2010

Magnus Sundström  
Chairman of the Board

Roger Bergqvist

Pär Ceder

Anna-Karin Celsing

Anders Lidfeldt

Nils-Fredrik Nyblæus

Patrik Wahlén

Niels von Zweigbergk  
President and CEO

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This report contains information which Tricorona AB (publ) is obliged to disclose in accordance with the Securities Market Act and/or the Financial Instruments Trading Act. The information was submitted for publication on 22 July at 12:00 p.m. CET.

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INCOME STATEMENT IN SUMMARY(SEK MILLIONS)	April-June 2010	April-June 2009	January-June 2010	January-June 2009	January-December 2009
<b>Net sales</b>	<b>140.0</b>	<b>94.7</b>	<b>332.0</b>	<b>360.1</b>	<b>698.9</b>
Cost of goods sold	-87.8	-44.8	-213.9	-203.0	-383.8
Other operating revenues and expenses	3.3	-1.3	-3.5	1.8	-4.2
Other external expenses	-12.5	-10.1	-23.2	-18.6	-39.7
Personnel costs	-19.5	-19.1	-36.8	-41.0	-85.1
Depreciation and impairment of non-current assets	-0.2	-0.3	-0.5	-0.6	-15.8
<b>Operating expenses</b>	<b>-116.7</b>	<b>-75.6</b>	<b>-277.9</b>	<b>-261.4</b>	<b>-528.6</b>
<b>Operating profit</b>	<b>23.3</b>	<b>19.2</b>	<b>54.1</b>	<b>98.7</b>	<b>170.3</b>
Net financial items	0.2	0.3	0.4	1.5	1.9
<b>Profit after financial items</b>	<b>23.5</b>	<b>19.4</b>	<b>54.6</b>	<b>100.2</b>	<b>172.2</b>
Tax	-3.3	1.8	-6.3	-18.6	-23.3
<b>Profit for the period from continuing operations</b>	<b>20.2</b>	<b>21.2</b>	<b>48.2</b>	<b>81.6</b>	<b>148.9</b>
Profit from discontinued operations	-	-	-	0.3	0.3
<b>Profit for the period</b>	<b>20.2</b>	<b>21.2</b>	<b>48.2</b>	<b>81.9</b>	<b>149.2</b>
Profit for the period attributable to:					
-Parent Company shareholders	20.3	21.2	48.3	82.0	153.8
-non-controlling interests	-0.1	-	-0.1	-0.1	-4.6
<b>Earnings per share from continuing operations, SEK</b>	<b>0.14</b>	<b>0.14</b>	<b>0.34</b>	<b>0.56</b>	<b>1.04</b>
<b>Earnings per share from discontinued operations, SEK</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD (SEK MILLIONS)	April-June 2010	April-June 2009	January-June 2010	January-June 2009	January-December 2009
<b>Profit for the period</b>	<b>20.2</b>	<b>21.6</b>	<b>48.2</b>	<b>81.9</b>	<b>149.2</b>
<b>Other comprehensive income/loss</b>					
Cash flow hedges	34.7	8.3	5.4	29.8	26.2
Translation differences	-1.4	0.1	-4.2	0.1	-0.8
Income tax relating to components of other comprehensive income/loss	-9.1	-2.1	-1.4	-7.8	-6.9
<b>Other comprehensive income/loss for the period</b>	<b>24.2</b>	<b>6.3</b>	<b>-0.2</b>	<b>22.1</b>	<b>18.5</b>
<b>Total comprehensive income for the period</b>	<b>44.4</b>	<b>27.3</b>	<b>48.0</b>	<b>104.0</b>	<b>167.7</b>
<b>Total comprehensive income attributable to:</b>					
Parent Company's shareholders	44.5	27.4	48.1	104.1	172.3
Non-controlling interests	-0.1	-0.1	-0.1	-0.1	-4.6

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<b>BALANCE SHEET IN SUMMARY (SEK MILLIONS)</b>	<b>30 June 2010</b>	<b>30 June 2009</b>	<b>31 December 2009</b>
Intangible assets	20.9	29.5	20.7
Property, plant and equipment	12.7	12.1	12.9
Deferred tax asset	0.4	2.2	4.1
Blocked bank deposits	46.1	4.7	50.2
Accrued income	33.2	30.2	3.9
<b>Total non-current assets</b>	<b>113.3</b>	<b>78.7</b>	<b>91.8</b>
Inventories	87.1	47.6	96.5
Current receivables	94.7	130.5	286.7
Blocked bank deposits	8.1	80.8	50.3
Cash and cash equivalents	295.1	309.3	253.2
<b>Total current assets</b>	<b>485.0</b>	<b>568.2</b>	<b>686.7</b>
<b>TOTAL ASSETS</b>	<b>598.3</b>	<b>646.9</b>	<b>778.5</b>
Equity	502.1	523.3	553.0
<i>Of which non-controlling interest</i>	-0.2	-	-
Other non-current liabilities	46.2	20.3	33.3
<b>Total non-current liabilities</b>	<b>46.2</b>	<b>20.3</b>	<b>33.3</b>
Short-term convertible debentures	-	13.4	-
Other current liabilities	50.0	90.0	192.2
<b>Total current liabilities</b>	<b>50.0</b>	<b>103.4</b>	<b>192.2</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>598.3</b>	<b>646.9</b>	<b>778.5</b>

<b>CASH FLOW STATEMENT IN SUMMARY (SEK MILLIONS)</b>	<b>January-June 2010</b>	<b>January-June 2009</b>	<b>January-December 2009</b>
Operating activities before change in working capital	28.6	114.1	164.0
Changes in working capital	112.7	8.0	-54.0
<b>Cash flow from operating activities</b>	<b>141.3</b>	<b>122.1</b>	<b>110.0</b>
Investing activities	-0.5	-7.6	-7.6
<b>Cash flow after investments</b>	<b>140.8</b>	<b>114.5</b>	<b>102.4</b>
Financing activities	-98.9	-100.4	-143.2
<b>Cash flow for the period from continuing operations</b>	<b>41.9</b>	<b>14.1</b>	<b>-40.8</b>
Cash flow from operating activities	141.3	1.5	-40.8
Cash flow from discontinued operations	-	1.5	0.3
Cash and cash equivalents at start of period	253.2	293.7	293.7
Cash and cash equivalents at end of period	<b>295.1</b>	<b>309.3</b>	<b>253.2</b>

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CHANGE IN EQUITY (SEK MILLIONS)	January- June 2010	January- June 2009	January- December 2009
<b>At start of year</b>	<b>553.0</b>	<b>515.2</b>	<b>515.3</b>
Other comprehensive income/loss	-0.2	22.1	18.5
Change in non-controlling interest			-4.6
Profit for the period	48.2	81.9	149.2
Conversion of shares			13.4
Buy-back of own shares			-42.8
Dividend	-98.9	-100.4	-100.4
Acquisition of non-controlling interest		4.4	4.4
<b>At end of period</b>	<b>502.1</b>	<b>523.3</b>	<b>553.0</b>

NET SALES PER BUSINESS AREA (SEK MILLIONS)	January- June 2010	January- June 2009	January- December 2009
Emissions Trading	322.4	349.7	677.7
Brokerage	9.4	10.2	20.4
Other Operations	0.2	0.2	0.8
<b>Total</b>	<b>332.0</b>	<b>360.1</b>	<b>698.9</b>

OPERATING PROFIT/LOSS PER BUSINESS AREA (SEK MILLIONS)	January- June 2010	January- June 2009	January- December 2009
Emissions Trading	54.1	97.9	184.5
Brokerage	1.2	1.8	4.5
Other Operations	-1.2	-1.0	-18.8
Discontinued operations	0.0	0.3	0.3
<b>Total</b>	<b>54.1</b>	<b>99.0</b>	<b>170.5</b>

CHANGE IN PORTFOLIO OF CARBON CREDITS (MILLIONS OF CERS, 2010-12 PERIOD)	January- June 2010	January- June 2009	January- December 2009
Opening portfolio for the period	47.9	64.3	64.3
Signed contracts, net	-2.7	-7.1	-12.4
Delivered volume	-2.3	-2.1	-4.0
Closing portfolio for the period	42.9	55.1	47.9

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# TRICORONA

## PARENT COMPANY

INCOME STATEMENT IN SUMMARY (SEK MILLIONS)	January-June 2010	January-June 2009	January- December 2009
<b>Net sales</b>	<b>124.2</b>	<b>314.1</b>	<b>545.5</b>
Cost of goods sold	-105.8	-221.9	-389.8
Other external expenses	-13.1	-8.2	-19.4
Personnel costs	-7.7	-12.6	-21.3
Other operating revenues and expenses	1.9	2.4	-
Depreciation and impairment of non-current assets	-0.3	-0.3	-0.6
<b>Operating expenses</b>	<b>-125.0</b>	<b>-240.6</b>	<b>-431.1</b>
<b>Operating profit/loss</b>	<b>-0.8</b>	<b>73.5</b>	<b>114.3</b>
Net financial items	130.0	3.4	48.9
<b>Profit after financial items</b>	<b>129.2</b>	<b>76.9</b>	<b>163.2</b>
Tax	-	-21.8	-22.9
<b>Profit for the period</b>	<b>129.2</b>	<b>55.1</b>	<b>140.3</b>

BALANCE SHEET IN SUMMARY(SEK MILLIONS)	30 June 2010	30 June 2009	31 December 2009
Property, plant and equipment	1.3	1.4	1.4
Deferred tax asset	-	-	-
Blocked bank deposits	46.1	4.7	50.2
Interests in Group companies	41.7	53.9	41.7
Other non-current receivables	-	-	0.3
Accrued income	3.8	5.7	3.9
<b>Total non-current assets</b>	<b>92.9</b>	<b>65.7</b>	<b>97.5</b>
Inventories	-	0.4	0.2
Blocked bank deposits	-	80.8	50.3
Receivables from Group companies	69.8	5.1	107.5
Current receivables	36.3	70.9	145.5
Cash and cash equivalents	249.0	273.2	226.1
<b>Total current assets</b>	<b>355.1</b>	<b>430.4</b>	<b>529.6</b>
<b>TOTAL ASSETS</b>	<b>448.0</b>	<b>496.1</b>	<b>627.1</b>
Equity	398.7	359.1	368.4
Short-term convertible debentures	-	13.4	-
Current liabilities to Group companies	33.8	91.7	234.7
Other current liabilities	15.5	31.9	24.0
<b>Total current liabilities</b>	<b>49.3</b>	<b>137.0</b>	<b>258.7</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>448.0</b>	<b>496.1</b>	<b>627.1</b>

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KEY FIGURES AND RATIOS	1/10	1/09	1/09	1/08	1/07	1/06
	-6/10	-6/09	-12/09	-12/08	-12/07	-12/06
Net sales, SEK million	332.0	360.1	698.9	698.3	216.8	85.7
Operating profit/loss, SEK million	54.1	98.7	170.3	218.0	-43.2	1.7
Profit/loss for the period, SEK M	48.2	81.6	148.9	202.6	-53.4	-2.3
Profit margin, percent	14.5	22.7	21.3	27.9	Neg.	Neg.
Balance sheet total, SEK million	598.3	646.9	778.5	765.3	372.0	464.7
Equity, SEK million	502.1	523.3	553.0	515.2	318.0	357.7
Equity/assets ratio, percent	84	81	71	67	85	77
Debt/equity ratio, percent	0.00	2.1	0.0	1.7	3.6	4.7
Earnings/loss per share, SEK	0.34	0.56	1.04	1.41	-0.27	-0.02
Investing activities, SEK million	0.5	-7.6	-12.3	-2.4	-4.2	9.7
Number of shares at end of period, thousands	141,242	143,403	141,242	143,403	143,403	137,877
Average number of shares during the period, thousands	141,242	143,403	143,111	143,403	141,359	107,978
Share price, closing price for the period, SEK	7.95	9.10	10.50	7.25	11.00	4.98
Number of employees at end of period	69	69	64	72	53	47

## DEFINITIONS OF KEY RATIOS

### Equity/assets ratio

Equity as a percentage of the balance sheet total (total assets).

### Debt/equity ratio

Interest-bearing liabilities as a percentage of the balance sheet total.

### Profit margin

Profit after tax as a percentage of operating revenues.

### Earnings per share

Net profit for the year in relation to the number of shares.

## ACCOUNTING PRINCIPLES

This consolidated interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Reports Act. Forward exchange contracts have been recognized as cash flow hedges, initially in the Statement of Comprehensive Income. From 1 January 2010, the company is applying the revised standards IFRS 3 and IAS 27. The Swedish Annual Reports Act applies to the Parent Company. The same accounting principles and calculation methods are applied as in the most recent annual report.

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